



AOT in Action

TOURISM WORKS FOR ARIZONA!

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

A Message from the Director:

Good morning.

In today's economic environment, we are all being challenged to do more with less. Now more than ever, we must be creative in finding the resources to promote Arizona as a premier travel destination.

Our next Arizona Tourism University workshop, "**Leveraging and Linking Grant Funds**," will offer techniques on how to write successful grant applications, how to effectively manage the grant process and where to find a variety of funding sources. This session will also review the [Smart Growth](#) initiative and how it impacts state funding opportunities in the near future.

The first of a series of three grant workshops on this topic is scheduled for December 9, 2008, in Globe. We hope to see you there!

For more information, please read the ***AOT News Flash*** section below.

Have a great week.

Margie A. Emmermann
Director
Arizona Office of Tourism

AOT News Flash

Arizona Tourism University's Next Workshop Set for December

The Arizona Office of Tourism is proud to present Arizona Tourism University's complimentary workshop, "**Leveraging and Linking Grant Funds.**"

This workshop is a guide to writing successful grant applications and effectively managing the grant process. Experts will provide insight into funding, application and review procedures, as well as general tips on preparing competitive proposals. Information will also be provided on a variety of grant funding and support sources.

To register, please contact Meghan Dorn at mdorn@azot.gov or 602-364-3708.

The "**Leveraging and Linking Grant Funds**" Workshops will be held from **9 a.m. to Noon** in the following locations:

Tuesday, December 9

[Globe-Miami Regional Chamber of Commerce](#)

1360 North Broad Street
Globe, AZ 85501

Thursday, December 11

[La Posada Hotel](#)

303 E. 2nd Street (Route 66)
Winslow, AZ 86047

Neither of these dates work with your schedule? Then take advantage of our new online opportunity!

This year, AOT is proud to introduce **ATU On-Line**. We will be offering all of our workshops over the Internet in the form of a Webinar. These condensed versions will offer the same great information as the workshops.

The on-line class is **Friday, December 12**. To register for the class contact Meghan Dorn at mdorn@azot.gov.

Industry News

SAVE the DATE: 3rd Annual Arizona Tourism Safety & Security Conference

The Third Annual Arizona Tourism Safety & Security Conference will be Friday, November 21 at the Hotel Valley Ho in Scottsdale. The conference is hosted by ASU's Megapolitan Tourism Research Center. For more information and to register for the event, please click [here](#).

Foreign Visitors Set Spending Record

International travelers to the U.S. spent a record \$12.7 billion in August, a 20 percent increase from the same month a year ago, according to the Commerce Department. The agency's Office of Travel & Tourism Industries said 5.61 million international visitors traveled to the U.S. in August, a 6 percent increase. Visitation was up 13.6 percent to 2.57 million, from Canada; up 8.3

percent, to 1.28 million from Western Europe; but down 27 percent, to 445,000, from Mexico. For the first eight months of 2008, U.S. visitation was up 9 percent, to 34.87 million.

(www.TravelWeekly.com, 11/7; Special to TA)

Airlines Could Cut More Flights

More cuts in airline schedules may await travelers after the holidays--there are early signs that the usual after Christmas falloff in travel could be deeper than airline managers had expected. With conventional fare sales and an overall 10 percent reduction in domestic flying capacity already in place for the December holiday, U.S. airlines aren't worried that the sliding economy will produce the kind of bah-humbug Christmas season retailers fear. But come Jan. 5, when all the family vacations, New Year's revelers and college football fans have gone home, and corporations austere 2009 travel budgets take effect, all bets are off. In the past airlines turned to widespread price cutting after the holidays. Executives at several airlines have hinted their bias is toward further capacity cuts if demand weakens more. (Page 1B, USA Today)

Southwest Airlines Enters Agreement with Volaris

Southwest Airlines has entered a pact with Mexican airline Volaris to provide service to Mexico by 2010, its second foray into international markets. Volaris, founded in 2006, serves 39 routes in 23 cities throughout Mexico. Under the deal, each carrier will be able to take customers and baggage to their final destination across the border. Earlier this year, Southwest entered international airways for the first time with a partnership with Canadian low-cost carrier WestJet Airlines. (Pages B4, Wall Street Journal; 1B, USA Today)

Corporate Travel Downgraded to Coach

The days of flying first class, dining out on robust expense accounts and staying in four-star hotels may be gone, at least temporarily, for road warriors. As CFOs respond to the economic downturn by tightening budgets and restricting travel, Silicon Valley convention and hotel managers are finding that flexibility is the key to weathering difficult times. Mineta San Jose International Airport has seen a 9 percent reduction in travelers in September 2008 compared with 2007. Officials cite a 15 percent decrease in available seats because of cut flights and the soft economy as the reason for the drop.

The National Business Travel Association polled corporate travel managers in September and October and found that 51 percent were sending fewer employees to conferences, 48 percent were encouraging Web-based meetings and 65 percent were directing employees who did travel to stay at mid-priced instead of luxury hotels. A third of the managers said they were planning to renegotiate booking requests with hotels. (www.MSNBC.com)

Hotels Keeping up with Technology Demands

Hotels are under such pressure to keep up with their gadget-obsessed guests that they are working with technology companies to regain their edge, says The New York Times. Sheraton teamed up with Microsoft to create its new Link@Sheraton lounges, as part of an overhaul of the brand that includes carving out spaces in lobbies where guests can use public computers to check their e-mail, print boarding passes and record video greetings to send to family and friends. Westin struck a deal with Nintendo to outfit some of its fitness centers with Wii consoles and games like Wii Fit, a game that uses a balance board to guide players through exercises and yoga poses. Even some smaller brands are turning to technology leaders to equip their public spaces and guestrooms with the latest electronics, says the paper. (Page B8, New York Times)

PWC Sees Hotel Room Rates Drop Next Year

The outlook for the U.S. hotel industry continues to dim, as PricewaterhouseCoopers hospitality and research practice is forecasting two consecutive years of declining revenue per available room and a reduction in rates next year. "The deteriorating outlook for the economy is impacting travel habits and spending, and hotels are expected to experience reduced occupancy levels, and to a lesser degree, some room rate erosion through 2009," PwC principal Scott Berman said in a statement.

The revised forecast indicates a 0.8 percent drop in RevPAR this year, followed by a 5.8 percent decline in 2009, the sharpest since 2001. This would be the first two-year consecutive decline in RevPAR since 2001 and 2002. Average daily rate growth in 2008 will be 3 percent, less than half the rate growth levels in 2007, according to PwC. This will be followed by a 2.4 percent decline in average daily rates in 2009, the forecast indicated. Occupancy rates will continue to decline through 2009, reaching an almost 40-year-low of 58.6 percent in 2009, PwC said.

(www.BusinessTravelNews.com, 11/10)

NBTA Predicts Continues Slowdown in Business Travel

The National Business Travel Association has released its 2009 Business Travel Overview and Cost Forecast, predicting increases in business travel costs and slower than usual travel industry growth. According to the study, travel managers project an increase of 5 percent to 8 percent for business travel costs in the coming year. As shifting market forces equalize with new levels of supply and demand for travel services, the number of business trips will continue to grow, but at a slower pace than the annual growth from 2004 through 2007. NBTA predicts that airfares will increase by 7 percent to 10 percent over 2008 levels, hotel rates will increase by 1 percent to 4 percent, and car rental rates will increase by 1 percent to 3 percent. The forecast was based on an online survey of U.S.-based travel buyer members from Sept. 15 to Oct. 21.

(www.TravelPulse.com, 11/12)